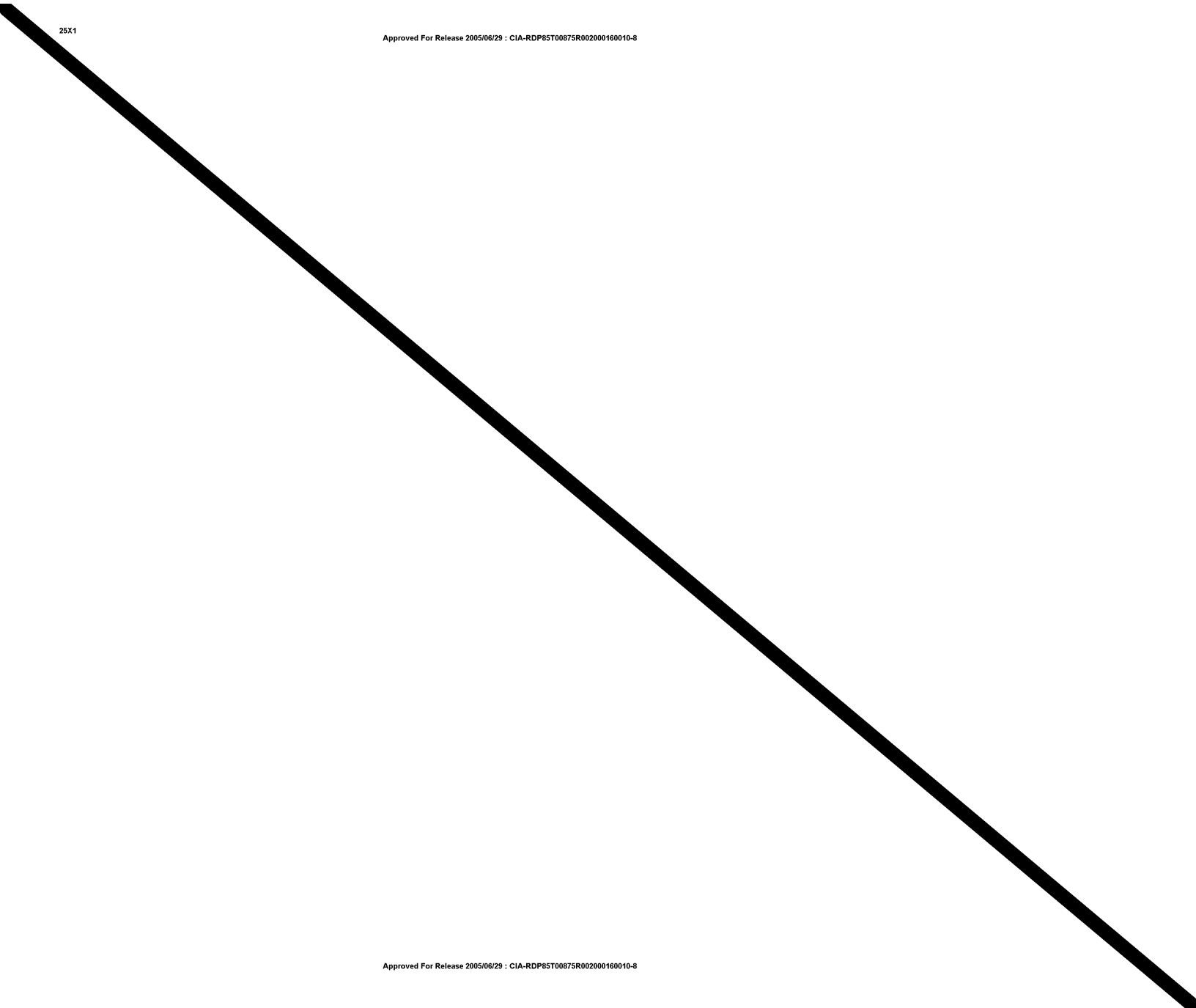

Approved For Release 2005/06/29 : CIA-RDP85T00875R002000160010-8

Secret

BOARD OF
NATIONAL ESTIMATES

SPECIAL MEMORANDUM

IRAQ: The Stagnant Revolution

Secret
22 May 1968
No. 11-68

CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

22 May 1968

SPECIAL MEMORANDUM NO. 11-68

SUBJECT: Iraq: The Stagnant Revolution*

SUMMARY

Ten years have elapsed since the revolution in Iraq, but the government continues to be ineffective and fumbling. The regime is dominated by the military, and military backing gives it a firm grip on power, but it has no real basis of popular support. Kurdish dissidence still smolders in northern Iraq, since the government is unable to stamp it out and unwilling to settle with it. The emergence of political leadership capable of giving direction to the country is unlikely.

Iraq has traditional interests and claims in the Persian Gulf, and the impending British withdrawal may bring Baghdad to pay more attention to the Gulf region. But it is likely to react to developments there rather than to take initiatives.

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GROUP 1
Excluded from automatic downgrading and declassification

Introduction

1. Ten years have elapsed since the revolution in Iraq ousted the monarchy, destroyed the power of the land-holding class, and drastically reduced ties to the US and the UK. Domestic political, social, and economic affairs have since pre-occupied the country. Indeed, under Qasim Iraq was isolationist. In the five years since his overthrow, however, Iraq's various governments have been involved in broad Arab interests, though Baghdad has not been an exporter of revolution as have Cairo and Damascus. Though its seaborne trade and more than a third of its oil exports pass through the Gulf, Iraq's major foreign policy concerns are with the Arab states west of it and with the Arab-Israeli question. Its relations with Iran focus on Kurdistan and Khuzistan. Except for the now dormant claim to Kuwait, governments in Baghdad have paid relatively little attention to the Persian Gulf. But the impending British withdrawal is likely to stimulate Iraq's interest in that region.

Domestic Affairs

2. The military establishment has dominated Iraqi governments since the 1958 revolution, except for eight months in 1963,

when the pan-Arab Socialist Baath Party held power. Although the Iraqi officer corps is chiefly drawn from the Sunni Arab element of the population,* the Iraqi military establishment is far from united; factions within it support a variety of political ideologies and parties. The army does not have the capacity to run the government entirely by itself. Moreover, there is a widespread feeling in Iraq that civilians should have a share in governing. In these circumstances, the army must pay some heed to public opinion; it has worked out arrangements whereby various political elements have some share in government.

3. Formal political organizations in Iraq are few; the sole legal party is the government-sponsored Iraqi Arab Socialist Union. The pre-revolutionary political parties have disappeared, and most individuals prominent in the public life of that period are no longer active. The bulk of Iraqi politicians are split roughly into a group of doctrinaire radicals and a somewhat larger group of men of a moderate and pragmatic outlook. The Baath Party still

* Of Iraq's eight million people, half are Shia Arabs living in the area south of Baghdad. Sunni Arabs and Kurds each account for about a fifth of the population, with several other minority groups comprising the rest.

functions, but is divided, and neither its radical pro-Syrian faction nor its more conventional members enjoy much support.

4. Communist influence in Iraq is limited. The Iraqi Communist Party has recovered somewhat from the injuries which the Baath regime inflicted on it. It is split into three factions by leadership quarrels and by pro-Moscow and pro-Peking attitudes. While the Communists could emerge as a significant force in a chaotic situation, they are unlikely to be more than a nuisance at least as long as the present type of government prevails. The Soviets themselves, despite the substantial military and economic aid they have provided to Iraq, appear to have little influence on the Iraqi regime's policy decisions.

5. The Iraqi political radicals, typified by National Oil Company head Jadir and Prime Minister Yahya, want to emulate the Egyptian approach to domestic affairs. They have concentrated on imposing controls on the economy and are eager to get Iraqi control of oil production. They also seek a highly centralized political system, with all political activity limited to regime sponsored and directed organizations. The moderates, whose impeccable credentials as nationalists and Iraqi patriots protect them against charges of foreign influence or self-interest, want

a freer economy and a measure of choice in political matters. They also feel that heavy involvement in intra-Arab affairs operates against Iraq's best interests. They do not admire Nasser, but they are careful to keep on good terms with him, for they believe that an Iraqi regime strongly opposed to Nasser cannot long survive.

6. The present Iraqi government is, in theory, a transitional one and is committed to write a new constitution and hold free elections. In fact, such developments are probably many years away. It is headed by President Abd al-Rahman Arif, who was chosen as the least controversial man available to succeed his dead brother, Abd al-Salam, in 1966. The President has shown some sympathy for the moderate point of view but he is not a strong figure. Of the various individuals who have been Prime Minister, the most important are probably General Tahir Yahya and Abd al-Rahman Bazzaz. Yahya, the present incumbent, has generally been the leading spokesman for the extremists, Bazzaz for the moderates. The extremists have dominated the Iraqi regime since the overthrow of the Baath in 1963, except for the year from mid-1965 to mid-1966 when Bazzaz was Prime Minister. The balance of forces is such that

no group feels powerful enough to take decisive steps; the result is a situation in which many important political and economic matters are simply ignored.

7. The civilian extremists are allied with like-minded fellows in the senior levels of the military establishment and are willing to let the army have its way in acquiring military equipment and in taking a strong line with the Kurds. This military-civilian combination has proved strong enough to ensure that Iraq does not take positions in inter-Arab affairs seriously at variance with those of Egypt. Domestically, the extremists face opposition. The moderate faction's opposition has deterred them, for example, from trying to re-institute the cumbersome centralized banking, industrial, and commercial organization which they constructed in 1964 and which the moderate government of Bazzaz dismantled during its year in office. Nor have the extremists lately tried very hard to put life into the Iraqi Arab Socialist Union. Bazzaz and other moderate politicians are publicly urging a return to a more representative form of government, which by implication would be a non-military one. Student demonstrations centering on Baghdad University during February appear to have supported the moderates, although our information on this is imprecise.

8. These conditions of unstable equilibrium seem likely to prevail for some time. The radical civilian-military combination will probably continue successfully to resist pressures for more representative government; Arab-Israeli tensions provide them with a handy excuse for maintaining a "patriotic, united" government. The factional tug of war will probably result in cabinet changes from time to time. There is a possibility of an effort to change the present government by violence. Some part of the army would of necessity be involved in such an attempt -- perhaps a group allied with a pan-Arab organization, e.g., the Baath or the Arab Nationalists Movement, perhaps by some officer who sees himself as the country's savior. Any coup group would face the same problems of governance that the present regime does and would probably be no more successful in overcoming them. While such a government might be more radical than the present one, deterioration of political affairs to a Syria-like situation is improbable.

9. Over a period of years -- probably a decade or more -- there is a fair chance that moderate political forces will reassert themselves in Iraq. The demise of Nasser would deprive the radical cause of much of its appeal; the moderates would be

much less concerned about Cairo's political influence in Baghdad. The existing Iraqi sentiment for government in some measure responsive and responsible to the public is likely to grow, especially among the professional, business and intellectual classes which are politically important. At best, however, the growth of moderate political forces will be slow and subject to setbacks. It could be especially harmed should there be a series of efforts at governmental change by coup.

10. The Kurdish Problem. The Kurdish trouble is now in its eighth year. Several years of fighting between Kurdish tribesmen, led by Mustafa Barzani, and government forces have left effective control of northern Iraq, except for principal towns and main roads, in the hands of the Kurds. [redacted] 25X1

X1 [redacted] The bulk of the Iraqi army is in the North watching the Kurds, but it remains unable to subdue them in the event of new fighting. Despite this incapacity, sentiment in the army strongly opposes concessions and favors imposing a harsh settlement on the Kurds. Nonetheless, a large amount of commerce moves between government controlled and Kurdish controlled areas.

11. There have been only sporadic shooting incidents since the Bazzaz government effected a cease-fire in 1966 and agreed to assist in rehabilitating the North and to allow the Kurds a measure of local government. The government in Baghdad is supporting a faction of Kurds opposed to Barzani's leadership, in order to weaken the chief Kurdish leader, both in the event of new fighting and to limit his capacity to press the government to carry out the provisions of the 1966 agreement. The government is unlikely to concede to the Kurds legal control of the North. Neither it nor Barzani wants new hostilities, and continued stalemate is the most likely course. But there are possibilities for miscalculation. Should serious fighting break out, however, Baghdad would probably feel compelled to withdraw most of the troops it has stationed in Jordan.

Oil and the Economy

12. 1967 was a bad year for oil revenues, which are the principal source of Iraq's government income. In January and February, Syria closed the Iraq Petroleum Company (IPC) pipeline to the Mediterranean; at the time of the Arab-Israeli war in June, Iraq itself suspended oil shipments to the US, UK, and West Germany. As a result, Iraq's oil revenue dropped from

nearly $400 million in 1966 to about $360 million in 1967.* Future revenue from IPC is unlikely to be much above $450 million annually. Even so, these revenues are sufficient to finance the Iraqi government's operations; overall economic performance is likely to reflect the stagnation in the political arena, though serious economic difficulties are not likely.

13. Since 1961, when the Iraqi government seized the non-producing portions of IPC's concession area (99.6 percent of the total), IPC has spent virtually no money on capital improvements. IPC raised production by 300,000 barrels a day in 1963 shortly after Qasim was overthrown; production increases since have been small, since the fields are producing close to capacity. Baghdad worked out a draft agreement with IPC in 1965, but did not ratify it because of extremist opposition to dealing with "imperialist" oil concerns. Although the IPC terms and offers from French and other Western firms were lucrative, nationalist pride led Iraq in April 1968 to announce that the Iraqi National Oil Company would produce

* The latter figure includes an advance of $22 million from IPC in 1967, which must be repaid in 1968 and 1969.

and market the oil from the most prolific area seized from IPC, North Rumalia. Iraq may be able to have 100,000 barrels a day for sale by 1971, but potential buyers are likely to offer bilateral trade agreements rather than the hard currency Iraq wants.

Foreign Relations

14. Iraq takes a generally neutralist stand in its foreign policy, and is associated with Egypt on many area issues. It rushed troops to aid Jordan in June 1967. These forces remain and are active in supporting fedayeen operations against Israel. Much of this support is probably due to the initiative of local commanders; the Iraqi government is verbally bellicose on Israel, but it is fairly well disposed toward Jordan and its policy, in matters dealing with Israel, is a prudent one of following the Egyptian lead.

15. Iraq's relations with Iran are correct, but flawed by mutual suspicion. The Shah aids Barzani's Kurdish dissidents in Iraq because he believes that such help keeps Iraq weak and thus less able to help his enemy, Nasser. The Shah is also concerned that Iraq might seek to stir up trouble among the

Arabs of Khuzistan, where the southern part of the Iraq-Iran border divides Arab tribes. In fact, Iraqi meddling in this district has been on a very minor scale, and it is unlikely that Baghdad would see much advantage in stirring up trouble here.

16. Foremost of Iraq's interests in the Persian Gulf is its claim to Kuwait. This was first put forth in the 1930s, surfaced briefly during the short Iraqi-Jordanian union in 1958, and dramatically asserted by Qasim in 1961. It presently is dormant, but most Iraqis believe that Kuwait belongs to Iraq. The claim rests on a temporary submission of the Shaikhs of Kuwait in the last century to the Ottoman Pasha of Basra. Kuwait has bought diplomatic recognition from Iraq by generous loans which it does not expect to be repaid. The countries are now surveying the border between them; actual demarcation would add to Kuwait's feeling of legitimacy. Iraq would probably seize Kuwait if it thought it could do so with impunity. But as long as other area states, e.g., Saudi Arabia, Iran, and even Egypt remain opposed to such action, the Iraqis are not likely to undertake it. This is the more true as long as a substantial

part of the Iraqi army is occupied in Jordan and most of the rest faces the Kurds in northern Iraq.

17. With the impending departure of the British from the Persian Gulf, the Iraqis will probably feel compelled to demonstrate that they have a legitmate role there. In the field of clandestine and subversive activities, Iraq has given some support in the past to the Omani and Dhofari rebel movements in the Sultanate of Muscat and Oman. It has also assisted nationalist anti-regime elements in Bahrain.

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18. Over the next several years, Iraq's internal preoccupations -- Kurds, oil, and the domestic power struggle -- will absorb a great deal of its energies. Iraq will probably continue to provide some assistance to anti-regime movements in the smaller Gulf states, mostly on its own initiative, but

occasionally in collaboration with the Egyptians. If such movements gather momentum, particularly as the time of British withdrawal draws nearer, Iraq would be likely to increase such assistance. The level of such assistance would depend on such factors as accessibility of the movement and its political coloration. (The present Baghdad government would not give much help to a Baathist group, for example.) In general, we do not believe that the Iraqis will initiate much anti-regime activity in the Gulf over the next few years, but that they would respond to calls for aid, probably by providing significant amounts of arms and training.

FOR THE BOARD OF NATIONAL ESTIMATES:

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[redacted]

Chairman